

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, SEPTEMBER 14, 2020

CLERK'S OFFICE  
TICKET CONTROL CENTER  
2020 SEP 14 A 9:50

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2020-00102

ALLIED PROPERTY & CASUALTY INSURANCE COMPANY,  
AMCO INSURANCE COMPANY,  
CRESTBROOK INSURANCE COMPANY,  
HARLEYSVILLE PREFERRED INSURANCE COMPANY,  
NATIONWIDE GENERAL INSURANCE COMPANY,  
NATIONWIDE INSURANCE COMPANY OF AMERICA,  
NATIONWIDE MUTUAL INSURANCE COMPANY,  
and  
NATIONWIDE PROPERTY AND CASUALTY INSURANCE  
COMPANY

Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Allied Property & Casualty Insurance Company, AMCO Insurance Company, Crestbrook Insurance Company, Harleysville Preferred Insurance Company, Nationwide General Insurance Company, Nationwide Insurance Company of America, Nationwide Mutual Insurance Company, and Nationwide Property and Casualty Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 D of the Code of Virginia ("Code") by failing to follow the provisions for payment of medical expense benefits as provided under the statute.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a

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defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated May 1, 2020 and May 6, 2020; have confirmed that restitution was made to 779 consumers in the amount of Two Million Forty-six Thousand Four Hundred Six-nine Dollars and Fifty-six Cents (\$2,046,469.56); have tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500) for each of the Defendant companies for a total amount of Twenty Thousand Dollars (\$20,000); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

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A COPY hereof shall be sent electronically by the Clerk of the Commission to:  
Cheryl Lynn Davis, AMCM, ALMI, AIRC, ACS, Assistant Vice President, Corporate  
Compliance-Market Conduct, Office of Compliance and Ethics, Nationwide, at  
[cheryl.davis@nationwide.com](mailto:cheryl.davis@nationwide.com); and a copy shall be delivered to the Commission's Office of  
General Counsel and the Bureau of Insurance in care of Deputy Commissioner Rebecca Nichols.